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SURVEY OF
MILITARY INTELLIGENCE PRODUCTION
IN THE
INTELLIGENCE DIRECTORATE

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TABLE OF CONTENTS

	<u>Page</u>
I. The CIA Role in Military Intelligence Production	3
II. Military Intelligence Production in the DDI: Resources, Activities and Problems.	9
The Office of Current Intelligence.	13
The Office of Research and Reports.	16
The Military - Economic Research Area	16
The Economic Research Area.	19
[redacted]	21
Problems in Military Intelligence Production.	23
Diffusion of responsibility within the DDI.	24
Separation from the Deputy Director	27
Competition between OCI and ORR	29
Duplication and gaps in coverage	34
Lack of suitable publications series	37
Relations with components outside the DDI.	40
The Imagery Analysis Staff	45
Problems	47
The shape of the future	48
Communist China and non-Communist countries.	48

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Page

Technical collection	49
Disarmament and arms control	49
US defense planning	50
III. Alternative Courses of Action.	52
Responsibilities affecting decision	52
Alternative A: No Change	54
Alternative B: Transfer Functions Between Offices	56
Alternative C: Create a New Office.	62
Plan and Feasibility of Alternative C	65
Mission and functions	65
Personnel and funds	67
Organization	71
Timing	85
Feasibility	87
IV. Recommendations	90

~~TOP SECRET~~

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TABLES AND FIGURES

	<u>Page</u>
Table 1. Staffing Under Alternatives A and B	59
Table 2. Staffing Under Alternative C	72

	<u>Following</u> <u>Page</u>
Figure 1. Organization of the DDI	10
Figure 2. Organization of OCI	14
Figure 3. Organization of ORR	17
Figure 4. Organization Under Alternative B	58
Figure 5. Organization of the DDI Under Alternative C. . . .	66
Figure 6. Organization of a New Office (Alternative C). . . .	77
Figure 7. Organization of a New Office, with Partition of Forces Division	79
Figure 8. Organization of a New Office, with the Inclusion of IAS	84

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1. This survey reports the results of the broad review of the activities of the Intelligence Directorate in the production of intelligence on military matters undertaken at the request of the DDI Executive Council. The survey contains four main sections:

- I. The CIA Role in Military Intelligence Production
- II. Military Intelligence Production in the DDI:
Resources, Activities, and Problems
- III. Alternative Courses of Action
- IV. Recommendations

2. Definition. The term "military intelligence," as used in the context of a review of CIA responsibilities, means intelligence produced by CIA, either unilaterally or in coordination with other USIB components, that is primarily concerned with the armed forces-- regular, reserve, and paramilitary--of a country, its military expenditures and their relationship to the country's economy, its military policies and doctrines and their relationships to national objectives, its military and military-related scientific and technical objectives and accomplishments (including both civilian and military space technology and programs), and its actions in directing and employing military organization, manpower, and materiel.

- 1 -

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3. The ultimate purpose of all production of military intelligence by CIA is to describe, measure, and forecast the weight of a country's military capabilities (especially in the field of advanced weapon and space systems) on its national goals and its foreign policy objectives, particularly as they affect the national security interests of the United States. To do this requires an appreciation of the political purposes for which military programs and forces exist. But more than that, it requires an understanding of the military forces (in the broadest sense of the term) themselves.

4. To be able to achieve this understanding requires far more than the study of military equipment and tables of organization. It is necessary now to know the influence of economic forces and technological developments as well as strategic concepts and tactical applications, of political influences and scientific trends as well as theories of escalation and patterns in command and control. The analysis of these factors and of their significance--military-economic and politico-military--requires the availability and use of specialized sources, methodologies, and skills. This means organization, training, specialization, and concentration directed to achieving the level of knowledge, understanding, and expertise demanded by the Central Intelligence Agency's responsibilities in producing national intelligence.

- 2 -

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I. The CIA Role in Military Intelligence Production

5. The Agency's responsibilities in the production of military intelligence are broad and varied. Something of their scope is suggested by the titles of estimates published or in process over the last few months:



examination of the individual intelligence production Offices in CIA would show analytical work in progress on many countries and many subjects-



system, from an assessment of bomb damage [redacted] to a

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report [REDACTED] missile systems. All of this CIA activity involves the production of intelligence that is basically military in character, requiring the work of persons with some degree of specialized experience in military analysis.

6. Because NSCID-3 explicitly gives the Department of Defense primary responsibility for the production of military intelligence, there has been some diffidence in the Agency about openly acknowledging the nature and extent of its involvement in the production of intelligence that is primarily or solely military. It is worthwhile, therefore, to examine what responsibilities relating to military intelligence CIA possesses under existing directives:

a. NSCID-3 defines current intelligence as "that intelligence of all types and forms of immediate interest which is usually disseminated without the delays incident to complete evaluation or interpretation." The directive authorizes CIA to produce current intelligence (by definition including military intelligence) primarily to meet the needs of the President and the NSC, and the needs of other departments and agencies for current intelligence which they do not themselves produce.

b. NSCID-1 defines "national intelligence" as "that intelligence which is required for the formulation of national security

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policy, concerns more than one department or agency, and transcends the exclusive competence of a single department or agency."

National intelligence is the responsibility of the Director with the support of the USIB agencies. The Director, with CIA as his working tool, therefore, has principal responsibility for seeing that national intelligence, including that of a military nature, is produced.

c. Consistent with DCID 3/1, CIA has assumed explicit responsibility for certain economic aspects of foreign military production, weapons deployment, and broad military and space programs.

d. NSCID-3 authorizes CIA to produce "such other intelligence as may be necessary to discharge the statutory responsibilities of the Director of Central Intelligence." This is an open-ended authorization, since the "statutory" responsibilities of the Director are, in the final analysis, determined by his interpretation of a variety of documents, including the President's letter to the Director. The only limitation upon CIA production is that implied by the requirement for "a continuous program of evaluation and coordination by the Director to promote an integration of effort and to avoid undesirable duplication," as specified in NSCID-3.

7. In light of the CIA responsibilities outlined above, it is clear

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that a precise delineation cannot be made between CIA and Department of Defense responsibilities and interests in the production of military intelligence. Often "order of battle," and all that the term implies of minute military detail, is cited as the breakpoint. However, CIA military intelligence offices must keep highly precise order of battle on strategic missile deployment, for example. Another formula for drawing the line that is sometimes put forward is that CIA should concern itself with "strategic" matters but not with "tactical" ones. Unfortunately for this point of view, the President and his senior advisers are concerned about matters called tactical as well as strategic, and they look to the Director and the Agency to be able to speak with authority on such matters.

8. The result of this is that there is duplication between the work being done in the Agency's military intelligence producing offices--OCI, ORR, OSI, and FMSAC--and the work being done in DIA and the service intelligence agencies. The duplication is not complete, of course, and it varies from subject to subject. But since it exists, it raises the question whether this degree of duplication of effort and analysis in the US Government is defensible.

9. On balance, I believe that the record shows that the level of the Agency's involvement in military intelligence production is

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desirable. The military judgments of the intelligence community have implications affecting the expenditure of billions of dollars. This being so, it is important that analyses, interpretations, and conclusions are forged and refined under competition. In this area of activity, DIA is the better because of CIA, and vice versa. CIA has many assets for the production of military intelligence, but probably the most valuable is its unique freedom from vested departmental interests. It is this freedom that gives the user confidence in the analysis and judgments of CIA-produced military intelligence and the assurance that, whatever its limitations or biases, they are not those imposed by self-serving organizational interests or predilections. Every time the Secretary of Defense calls on the Director for an Agency comment or publication in the military field, he is giving recognition to CIA's professionalism in the field of military intelligence and expressing his confidence in its ability to produce judgments free of parochial service considerations.

10. Not only is some degree of duplication in this field desirable, but it is also necessary. The Director of Central Intelligence has a unique responsibility for providing the President with the intelligence needed to insure the national security. In recognition of this,

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the Central Intelligence Agency has from its inception been an active participant in the preparation of community-wide military intelligence estimates and, as a consequence, an independent producer of military intelligence as well. Without a qualitative diminution in the scope and nature of the Director's responsibilities and his position in the Executive Branch, it is difficult to see how he could effectively operate with a substantially lessened capability for independent substantive analysis in the broad military and space intelligence field.

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II. Military Intelligence Production in the DDI:
Resources, Activities, and Problems

11. The Deputy Director for Intelligence has a dual responsibility in the production of military intelligence. As DDI, he has, in the words of the DDCI's memorandum of 30 October 1963, "over-all responsibility for production and publication of finished intelligence, and its dissemination outside of CIA." This over-all responsibility for finished intelligence applies irrespective of subject or type of intelligence produced, is Agency wide, and holds therefore for military intelligence produced in the other Directorates. The DDI is also responsible for the production of military intelligence within his Directorate.

12. Because the concept of "military intelligence" as a distinct category has not been regarded as a major organizational determinant in the past, sub-units responsible for achieving the necessary specialized competence in this field are found in both OCI and ORR. (This is true also of OSI and ONE; only FMSAC is engaged solely in the production of military intelligence as defined herein.) In addition, the DDI is responsible for the work performed by the Imagery Analysis Staff (IAS) in support of the Agency. The work for the intelligence-producing components accounts for [REDACTED]

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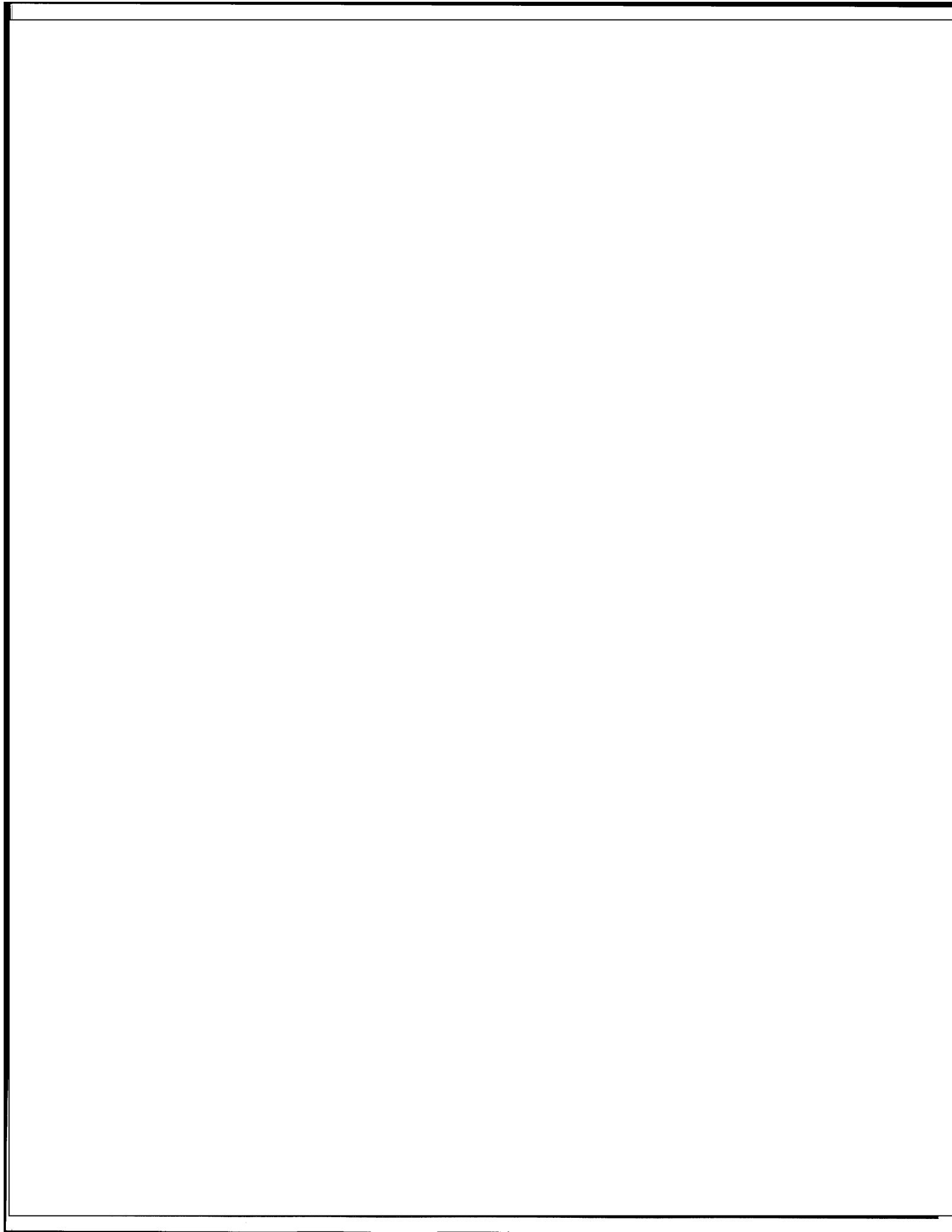
of IAS's monthly production and the greatest share of that is on military or directly related requirements. (See Figure 1)

13. Within the definition of military intelligence set forth above, the production in the DDI can usefully be considered in two categories. One -- let us call it the "first category" -- is the analysis of organized military forces, the development, production, and deployment of modern or advanced weapons and weapon and space systems, and the doctrine and experience in the use of these forces and weapons. It involves being constantly on the alert for signs of intent to attack the US or its allies; it involves short-run reporting as well as in-depth study. This is the work being done in [REDACTED] [REDACTED] ORR and in [REDACTED] European Area and [REDACTED] of OCI. It accounts for [REDACTED] of the DDI personnel directly engaged in military intelligence production.

14. The "second category" can largely be summed up in a word: Vietnam. It is the work now going on in parts of the [REDACTED] [REDACTED] ORR and in the [REDACTED] [REDACTED] Area of OCI. The separation between the people engaged in the one category and those in the other is surprisingly complete. Despite its responsibilities as a military research area, MRA has little to

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do on a day-to-day basis with the Vietnam bomb damage assessment and other military-oriented work that consumes the full time of 15 or more ERA analysts and supervisors.

15. There are several reasons for the existence of these two categories and the fact that there is little overlap in the people working on them. One is geographic. The work of MRA, [REDACTED] Division/OCI, and [REDACTED] Division has been chiefly concerned with the USSR, Eastern Europe, and China. Moreover, their work primarily involves complex modern military concepts and organizations, while the Vietnamese affair began as an insurgency and still has a substantial small-unit character. Many of the military intelligence problems occasioned by the US involvement in Vietnam have required analysis by transportation and construction specialists found in ERA, not in MRA. And a large part of the work in ERA and OCI has been centered on the assessment of the effectiveness of US operations against North Vietnam, an activity with no counterpart in MRA or Military Division.

16. More than [REDACTED] Intelligence Directorate -- are engaged more or less full-time as analysts, stenographers, or supervisors in some aspect of military intelligence analysis and production or its administrative support.

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OCI:

[redacted]

ORR:

[redacted]

TOTAL

[redacted]

(The figures are approximations. On-board figures change frequently and T/O figures do not always reflect actual numbers involved.) In addition, there are about [redacted] in the [redacted] Analysis Staff. This adds up to about [redacted] working to produce or to support the production of military intelligence in this Directorate.

17. The number of persons elsewhere in the Intelligence Directorate who have analytical concerns that occasionally involve them in military matters or who support military intelligence production in some way is much larger. OCI, for example, estimates that its country-desk political analysts spend between [redacted] of their time on military-related matters. Some of the branches in the [redacted] Area provide large and continuing inputs to the [redacted] Area. People in OCI, CGS, DCS,

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and OCR all provide valuable support in a variety of ways. I exclude these persons from further consideration in this study, however, either because their involvement in military intelligence production as defined herein is essentially of a support nature or because it normally represents less than half of their day-to-day professional responsibilities.

The Office of Current Intelligence

18. OCI's responsibilities for military intelligence production are open-ended and subject to continuing redefinition in response to external demands. Basically, the Office seeks to report, on a highly current and broadly evaluative basis, military developments of significance to national policy-makers and to respond quickly to questions on military intelligence subjects.

19. Military intelligence is handled differently in each of OCI's four geographic Areas. In the [REDACTED] Area, a separate [REDACTED] Division exists to handle military intelligence on the Soviet Union and Eastern Europe because of the volume, complexity, and significance of the subject. To the degree that military developments in Western Europe are covered at all, they are generally taken care of by country-desk analysts as a part-time function. In the Far East

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Area, the [REDACTED] Division has a [REDACTED] Branch to concentrate on military developments in Communist China and [REDACTED] Division has [REDACTED] analysts specializing in military reporting, chiefly on Vietnam, [REDACTED] Military developments in North Korea are the part-time responsibility of a [REDACTED] [REDACTED] Division. In the Middle East-Africa and Western Hemisphere Areas, military intelligence is of less intrinsic current intelligence significance than in the other two Areas and is a relatively minor responsibility of the political analysts. An exception to OCI's focus on regional organization for analysis and reporting is made for military-related scientific and technical intelligence, which is handled on a worldwide basis by the [REDACTED] Division. (See Figure 2)

20. OCI also supports the National Indications effort, which is

[REDACTED]

21. Specific requests for current military intelligence production come from a wide variety of sources. These requests are usually answered with special memoranda or briefings. Most of OCI's total military intelligence output, however, is self-generated

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in response to the general requirement to keep policy-makers informed of significant developments. This type of production appears in OCI's various daily and weekly periodicals and in formal Intelligence Memoranda, and is part of task force reporting on crisis situations. A survey of OCI's publications for the first six months

[REDACTED]

22. The sources used by OCI in producing military intelligence vary with the subject. In general, the most valuable intelligence on Communist Bloc military developments comes [REDACTED]

[REDACTED]

wars involving US forces, operational military information becomes an important input.

23. OCI's basic problems in military intelligence are how much emphasis to give it and how best to organize for analyzing and producing it. In components dealing with non-Communist countries, the staffs generally consider military subjects of minor importance and rely mainly on outside sources -- usually DIA -- for inputs when

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needed. The result is a fairly low and uneven level of expertise and background in military affairs in these countries.

24. In components dealing with Communist countries, military intelligence has more intrinsic interest, is more complicated, and requires more effort. These considerations pose a dilemma: It is desirable to integrate military intelligence with political analysis on a geographic basis, but the nature of military intelligence requires subject matter specialists for proper treatment. The present OCI organization attempts to find a middle way, but it leaves problems of jurisdiction and a dispersion of the limited personnel trained in military analysis.

The Office of Research and Reports

25. The [REDACTED] Area. ORR's capabilities in military intelligence production, chiefly on the economic and strategic aspects of foreign military production, weapons deployment, and broad military programs, have evolved out of its general economic intelligence mission. MRA's growing competence, together with the increasing complexity and sophistication of military estimates, has led it to undertake more and more work in the related areas of strategy, doctrine, policy, force structure, and

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programming. By far the greatest share of MRA's work has been on the Soviet Union. The Area also works on the other Warsaw Pact countries of Eastern Europe and, increasingly of late, on Communist China. In addition, research is underway on certain non-Communist countries having advanced weapons programs or the potential for such programs.

26. [REDACTED]

27. MRA produces numerous intelligence reports and memoranda either as the result of self-generated research or in response to ad hoc requirements from senior officials in the Agency,

- 17 -

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the Department of Defense, ACDA, and elsewhere. In calendar year 1966, [REDACTED]

[REDACTED]

As such they generally were among the more complex and difficult to prepare and required time out of all proportion to their numbers. Moreover, their publication did not release the producing unit to go on to other things, but usually was only one step in the total process of MRA's estimate support involving such things as attendance at lengthy meetings, review and revision of estimate drafts, and resolution of new problems raised as meetings on estimates proceed.

[REDACTED]

28. Because of MRA's central position in the production of military intelligence in CIA, it plays an important role as the major,

- 18 -

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or sole, DDI representative on such bodies as the Guided Missile and Astronautics Intelligence Committee. A great deal of MRA analyst time also goes into framing collection requirements with the Collection Guidance Staff, advising COMOR on critical target needs and the most effective use of technical collection systems, and helping in the planning for future collection systems.

29. MRA's unique competence in the military intelligence field in the Agency and in the community at large is well established. Its problems now are those of continuing to recruit and develop the types of talents and skills needed for effective production. It also has an unresolved problem in how to respond quickly and effectively to demands for intelligence for policy support while maintaining its heavy commitment to the estimative process. It also has the problem of getting its own views in print in a way that enables it to address analytical problems in a context other than that of an estimate contribution. MRA is too largely confined to speaking through ONE's voice.

30. The [REDACTED] Area. The creation of a [REDACTED]

[REDACTED]

Area out of ERA has not eliminated ERA's involvement in producing both category one and category two military intelligence.

- 19 -

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As noted above, certain ERA branches, [REDACTED]

[REDACTED] are

deeply engaged in analysis connected with the Vietnam war.

Assessment of actual or potential damage to an economy from bombing or interdiction requires the skills of specialists in trade, transportation, construction, and the like. In addition, ERA makes substantial contributions to MRA as it goes about its "first category" work in support of the military NIEs and the NIPP. ERA contributions to MRA provide information on production of electronic equipment, construction features of military installations, military command and control communications facilities, and the general capability of an economy to support alternative military programs.

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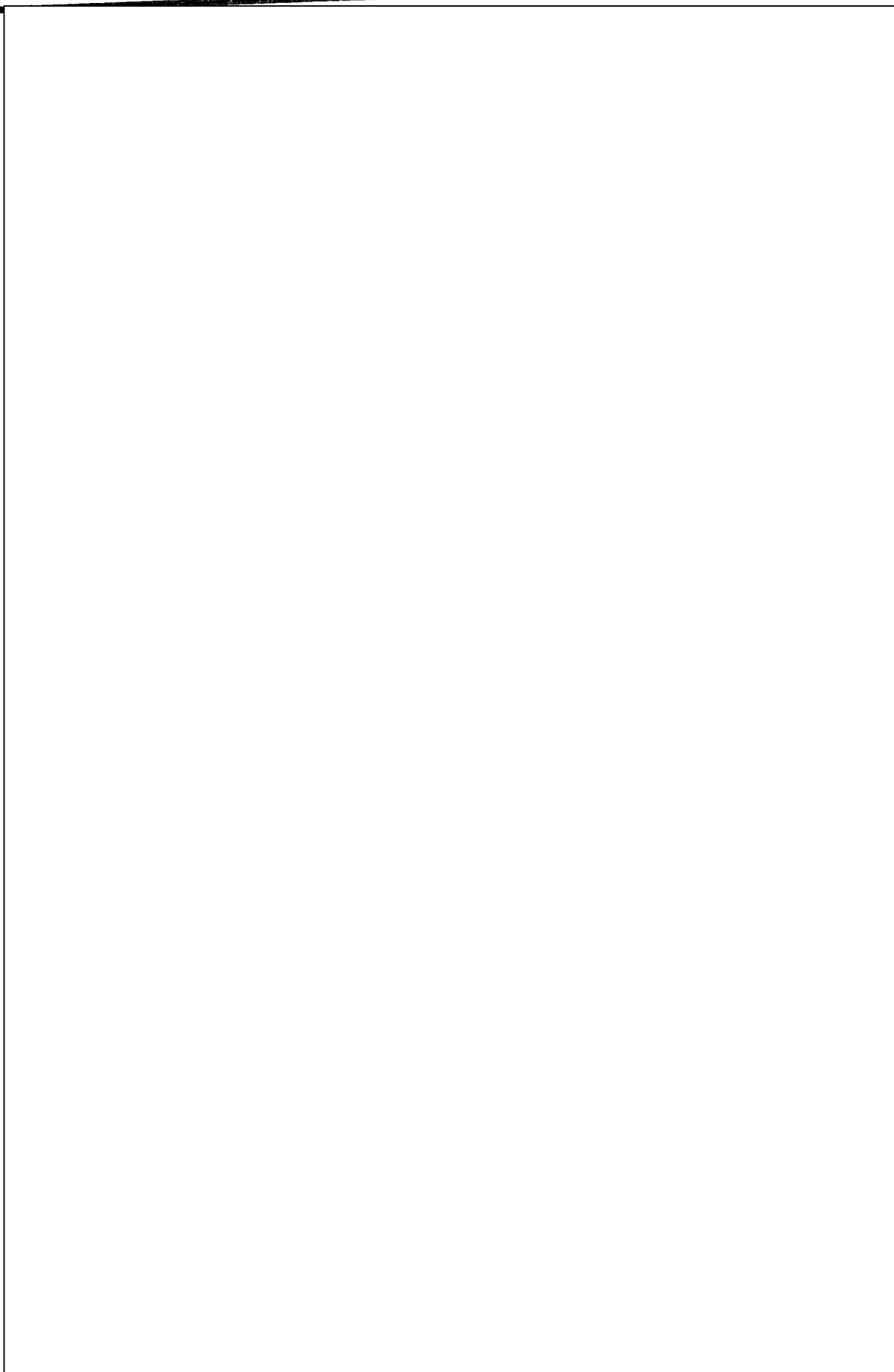
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33. ERA's greatest problem in producing military-related intelligence at present arises because a large part of it is devoted to the current crisis demands of Vietnam. The need to shift experienced analysts from assignments on other geographic areas to support military-related work on Vietnam in their particular economic specialty creates difficulties in meeting ERA's regular commitments in areas of lesser immediate priority.

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- 21 -

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36.

Problems in Military Intelligence Production

37. The Intelligence Directorate components discussed above have all proved their effectiveness in their respective areas of military intelligence production.

The concentration on

problems which follows is not meant to deny the real accomplishment achieved day in and day out by the producing components in OCI and ORR.

- 23 -

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38. The major problems within the Directorate growing out of the present situation in military intelligence production interrelate but they fall basically into two categories: organizational and substantive. The three problems arising from organization are the diffusion of the Directorate's responsibility for military intelligence production, the access the DDI has to his military analysts and they to him, and the effect of all this on the Directorate's external relationships in the military intelligence field. The three problems that affect substantive production concern the nature of the OCI-ORR relationship, the existence of both duplication and gaps in the work of the two Offices on military intelligence, and the effect on both of not having a serial publication medium for T-KH material. There obviously is a variety of other problems in this field but most of them either would be solved by any action that substantially resolved the six problems discussed or they lie outside the purview of this survey of the military intelligence activities of the Intelligence Directorate.

39. Responsibility for military intelligence production in the Intelligence Directorate is diffused. This makes it difficult to marshal the full production resources of the Directorate effectively to respond to new and changing requirements. If the

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Deputy Director for Intelligence is called upon for a spokesman on some aspect of the Soviet military posture, where does he turn? If the question is fairly general and needs a quick reply, he may call upon the [REDACTED] Division in OCI. If it is a question requiring detailed knowledge of Soviet ICBM deployment, he probably will go to the [REDACTED] Area. But neither of these components necessarily speaks for the other, and the pressures of time may prevent the capabilities of both from being tapped in reply to any given problem. Because the Intelligence Directorate lacks an organizational focus for what is an important, complex, and active substantive area, the DDI spokesman may come from ONE, in part because ONE remains to some degree within as well as without the Intelligence Directorate, but largely because it is in many respects the only point at which the lines of military analytical effort in the Directorate come together.

40. This problem of who speaks for the Deputy Director for Intelligence shows up in other ways. In the preparation of military NIEs, no one Office is responsible for formulating and defending the view of the Intelligence Directorate. The MRA person present at meetings with the Board is not the DDI representative and does not normally feel he has any recourse to the Deputy

- 25 -

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Director for Intelligence if he finds the chairman riding roughshod over MRA analytical judgments. At other meetings, such as COMOR or GMAIC, the representation from the DDI may include both ORR and OCI persons, none of them able to speak as the DDI representative. As a result of this situation, the question of what is the DDI view on matters that come before the DDCI as the CIA Member on USIB is often difficult to answer.

41. Just as there is no one unit charged with formulating the Directorate view and communicating it to other Agency components or to other USIB agencies, so there is no one unit to answer for the Directorate up the line. This is not to scant the work that CGS does do in pulling together the Directorate viewpoint on various intra- and interagency matters. But CGS can speak only in a staff capacity on nonsubstantive issues, while the problem is one of line and substance.

42. The existing division of production responsibility in the Intelligence Directorate also means that there is no central authority in active daily contact with the Pentagon, with State, with ACDA, becoming conversant with what the users of the Directorate's military analysis need, getting their reactions to past products, and feeding this information back to the producers.

- 26 -

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Except when the Deputy Director for Intelligence and the Assistant Deputy Director involve themselves in such matters, no one officer of the Intelligence Directorate can deal with its consumers in the military field in the knowledge that he can speak for the full capability of the Directorate to respond to a requirement. The demands are many and varied; to name but a recent few: support of Mr. McCloy in the Trilateral Talks with the UK and Germany; Agency participation in a DoD reassessment of the North Vietnamese air defense system; briefing of the Administrator of NASA on various aspects of the Soviet space program. Under present arrangements, there is always an element of improvisation in putting together the Directorate's response to these requirements.

43. In short, the problem is that no one person at the Office level feels responsible for operating imaginatively and aggressively in the broad, competitive interagency field of intelligence responsive to military, strategic, and tactical needs. It's just that simple.

44. Military intelligence input to the Deputy Director for Intelligence and feedback from him are hampered by the number and kind of administrative layers between him and the military analyst. Related to the problem of the lack of any organizational focus is the problem of layering. Both the MRA analyst and the [REDACTED] Division

- 27 -

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analyst are five organizational echelons removed from the Deputy Director for Intelligence. The line of direct supervisory responsibility for military intelligence production activity as such stops at the Area level in ORR, and in OCI at the Division level in the [REDACTED] Area and at the Branch level in the [REDACTED] Area.

Above those levels, military intelligence production becomes only one part of the total responsibilities of the supervisors. OCI is basically a political intelligence office, ORR an economic intelligence office, and the backgrounds and experience of the senior supervisors reflect these substantive interests.

45. The problems of layering are not unique to the military intelligence components of ORR and OCI, but they are exacerbated by the low priority accorded military intelligence production in the minds of the Office managers. The ERA analyst has greater confidence that his work will be read, understood, and reported up the line by the Director and Deputy Director of ORR than is true of the MRA analyst. He feels cut off from the Deputy Director for Intelligence in terms both of being able to get his views reported up to him directly and, possibly more important, in terms of hearing back from him on work done. Partly because of the generally easier access of the [REDACTED] Division analyst to higher echelons by

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nature of the current intelligence reporting process, the problems of layering appear to be somewhat less in OCI.

46. The OCI-ORR relationship in military intelligence production tends to be competitive, rather than complementary, and divided, rather than integrated. This statement applies primarily to military intelligence of the first category. The work done on Vietnamese military matters in the two Offices tends to be highly current and have a sharp policy focus. As a result, the "current versus research" problem that affects relations between MRA and the [REDACTED] Division [REDACTED] in their work on the Soviet Union and China is muted or absent.

47. MRA sees the problem in the relationship with [REDACTED] Division along these lines: Since OCI is charged with current intelligence while MRA undertakes work in greater depth, it follows that MRA provides considerable support to OCI but the reverse is seldom true. MRA views its efforts in coordinating OCI-produced intelligence as meaningless unless the resultant product incorporates not only the current event but the meaning of the event as seen in perspective. MRA feels that, in the name of current intelligence, OCI frequently writes articles which contain serious substantive error, are ill-timed, omit pertinent information, or are badly biased.

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48. For its part, OCI feels hampered in producing military intelligence by what OCI conceives to be ORR's attitude toward intelligence production and its philosophy of publication. The OCI views run about like this: Many ORR analysts do not understand the needs of current intelligence and are uncomfortable when confronted with the requirement to produce or coordinate production with the typically short current intelligence deadline; they are unaccustomed to the necessarily straightforward, nontechnical, and brief writing and presentation style which OCI is enjoined to employ. MRA's concentration on estimate support and its research orientation tend to limit its flexibility in responding to and publishing on new developments. Moreover, OCI finds the review and publication process in MRA painfully slow, which not only denies the results of MRA's research to others on a timely basis but may also estop OCI publication on the same subject. Finally, OCI feels that MRA fails to call attention to new findings of current intelligence interest which emerge from its research, and that MRA is often less than frank when queried about the meaning and future implications of new analysis or new developments. OCI feels this derives from a lack of trust in the judgment of the OCI analyst and from a desire to protect an MRA view from "premature" OCI publication.

- 30 -

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49. It should be noted that the overlap in responsibility between MRA and the two OCI military components is total; that is, there is no subject within MRA's range of competence on which OCI does not believe it has a reporting responsibility if the circumstances so warrant. The practical problem in their relationship thus becomes one of deciding what military intelligence is "current" to be reported by OCI and what is "military-economic research" to be reported by ORR. A new military development worthy of reporting is clearly a responsibility for OCI publication as things now stand (although MRA would insist that its analysts are charged with alerting management to new developments on a current basis also). However, an OCI report no matter how "current" must contain necessary interpretive background. Often OCI derives this background either from ORR's depth analysis or from separate OCI analysis duplicative of ORR's work. In either case, ORR feels to some degree used or imposed upon by OCI when the report is published in the current intelligence series; for its part, OCI feels that it is just doing its job and that ORR is being unnecessarily sensitive. As a result the overlap becomes something of an irritant to the relations of the two Offices, particularly in the absence of a mechanism for the resolution of disagreements.

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50. In my discussions at all levels -- chiefs and analysts -- with ORR and OCI personnel, I have been struck by the apparent lack of continuous contact between personnel in the two Offices who are working on the same substantive problem. The chief of an OCI branch concerned with a particular aspect of the Soviet military establishment had not met the new chief of the corollary MRA branch although the new man had been on the job several weeks. Contact between analysts is better but even there the record appears to be very spotty. The ORR analyst tends to believe the OCI analyst really has little to tell him; what's more, the ORR analyst is too busy with his duties to find out. The OCI analyst tends to be less desk-bound because he must, but he usually favors seeing his ORR counterpart only after he has something to coordinate, rather than before. As a result, their encounter is carried out under the pressure of a deadline and at a time that may be most inconvenient to the ORR analyst. The situation described above is not new, nor is it characteristic of all ORR-OCI relations in the military production field. But it does exist.

51. Coordination is the process by which the problems of overlap are overcome and contact is assured between components on matters relating to publication. Because of the multiplicity of

- 32 -

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Agency components involved in the general military intelligence area, coordination is something ORR and OCI military components understand well. MRA generally gives the [REDACTED] Division good marks for coordinating prior to publication but feels that the reclama process is lacking in the event OCI does not accept an ORR view. OCI has few problems with items for publication prepared in ORR by [REDACTED] or under its auspices, but feels that longer MRA studies and reports are often not coordinated with OCI before they appear in print.

52. In short, the relationship between the military intelligence producing components of ORR and OCI is imperfect. It may not actually impede production in either Office but it appears to do little to help. I believe that the reasons for this state are primarily structural. Despite the common subject matter, each Office marches to a different drum. Current and ad hoc requirements are the bane of those responsible for the planned research program of MRA; current and ad hoc requirements are the Military Division's raison d'etre. This being so, each component tends to concentrate on meeting its responsibilities as autonomously as possible, with as little need to confer outside on substantive matters as possible, the pattern being broken chiefly by the need to coordinate before

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publication. These differences in missions and operating philosophies have given rise to the mutually uncharitable attitudes discussed above. Whether these attitudes are justified or not, they do inhibit cooperation and the exchange of ideas and information.

53. In late 1962, the Deputy Director for Intelligence created an ad hoc group to bring representatives from the four military-intelligence producing Offices then in the Intelligence Directorate -- ONE, OSI, ORR, and OCI -- and NPIC together for weekly discussions of current problems, substantive and procedural. The meetings of the group had some impact on the coordination problems of the time, but the group disbanded in late 1963 after OSI was relocated in the Science and Technology Directorate. No equivalent group has since been tried to handle ORR and OCI relations in the military field. As a result, when problems occur between the Offices they often are difficult to resolve. No mechanism other than that of the usual office channels exist for routine monitoring of relationships, for liaison, or for improving day-to-day working contacts. And under the pressures of daily business, the office channels are little used.

54. The work of ORR and OCI on military subjects is affected both by duplication of effort and by gaps in coverage. Responding

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to the needs of the past, both OCI and ORR have built military analytical units heavily concentrated on the Soviet Union and, to a lesser degree, on the East European countries and China. Neither Office has developed much yet in the way of a capability to produce on the increasing number of non-Communist countries that either have advanced weapon forces of concern to CIA, given its responsibilities in the area of national intelligence, or have the potential for such forces. MRA has responded to the extent of establishing a [REDACTED] Branch with six professional positions in the [REDACTED] Division. OCI handles the research and development aspects of advanced weapon systems in both Communist and non-Communist countries by giving the [REDACTED] [REDACTED] Division a worldwide charter. The country (i.e., political) analysts in OCI occasionally work on politico-military matters, [REDACTED]. But neither in OCI nor in ORR is much integrative work now being done on the military forces and programs of non-Communist countries.

55. As noted above, the duplication of subject matter in the military field between ORR and OCI is virtually total. MRA's range of responsibilities is limited by the functional area •

- 35 -

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of military economics -- and its implications for production, deployment, employment, doctrine, and strategy -- that has been the motive power behind the Area's development as an organization. OCI, on the other hand, has been guided by its view that it should be able to take the lead in determining what military and military-related information -- irrespective of country or subject -- is suitable for current intelligence publication, without relying on other offices to alert OCI or permitting them to inhibit or veto publication of any given material. As a result, OCI has a [REDACTED]

[REDACTED] Branch

[REDACTED] whose duties are concentrated heavily on the USSR and the Warsaw Pact countries and duplicate in large measure the work being done in the [REDACTED] Division of MRA, which is also heavily concentrated on the USSR and the Pact.

56. Some of the duplication is necessary because of the differences in publication responsibilities between a current intelligence office and an in-depth research office. However, with more cooperation and a greater interest in pooling common resources and knowledge, I believe the same current intelligence responsibilities could be satisfactorily met with fewer analysts. The resources freed by elimination of duplication could be profitably employed to fill some of the gaps in coverage of important non-Communist countries.

- 36 -

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57. Publication of military intelligence analysis in OCI and ORR is impeded by lack of suitable publication series. Military plans, capabilities, and vulnerabilities are among the most secret of a nation's secrets. This is true to the nth power in the Communist countries, where the definition of what constitutes a "state secret" is very broad indeed. As a result, the US has turned increasingly to technical means for uncovering the information essential to on-going analysis of Soviet, and other, military capabilities.

58. [REDACTED]

when they are available.) As a result, a substantial portion of what ORR and OCI produce in the military and military-related field must be published within codeword control systems or it cannot be published at all.

59. The Agency does not now have a regular, periodic publication series at the all-source level. The daily Central Intelligence Bulletin and its companion weekly report are regularly published at the SIGINT level, but the publication of material explicitly based

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arrangement has not proved very satisfactory to anyone concerned with the process. There are some in-house publications, such as the Military Division Highlights, which are issued on a regular schedule at the all-source level but their dissemination is intentionally limited to the analytical or specialist audience to which they are addressed.

60. DDI Notice 5-100-7 was issued in April 1966 to reduce the number of types of finished intelligence publications produced by the Directorate. The Notice provides that, in addition to periodicals, the Directorate will produce three categories of finished intelligence publications for dissemination outside the Directorate: Intelligence Memorandum, Intelligence Report, and Intelligence Handbook. The Memorandum is to be timely and directed at policy levels in the Government, while the Report is to be a "detailed comprehensive study," usually less timely, and prepared for use primarily by research and analysis officers.

61. The effect of this Notice on MRA (and on [REDACTED] Division to a lesser degree) appears to have been to reduce the amount of

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publication it undertakes. The combination of codeword classification (which excludes publication of material based on satellite photography in the Directorate's periodicals) and the ground rules governing the Memorandum and Report has left MRA in particular with the feeling that it no longer has the same outlet for its views as it did when the Intelligence Brief was available. This is true especially of papers reflecting views or comments that are of interest primarily to the analytical level (and thus do not qualify for an Intelligence Memorandum), but are not yet part of a "detailed comprehensive study" (as an Intelligence Report, by definition, is supposed to be).

62. I believe that MRA could take greater advantage of the existing publication forms to get its views and conclusions out into the hands of interested persons. In calendar 1966, MRA published only

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However, the problem of publishing in the military intelligence field probably will not be satisfactorily met until military intelligence has the same access to regular publication that most political and economic intelligence

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now have. This could mean publishing the CIB and the Weekly Report at the [REDACTED] level, or initiating a weekly [REDACTED] supplement to the [REDACTED] Weekly Report.

[REDACTED]

63. Intelligence Directorate relations with the Science and Technology Directorate, with interagency groups such as GMAIC, and with other agencies suffer from the number and level of the Directorate's producing elements in the military intelligence field. This is the external expression of the internal problems noted above. The lack of organizational unity and the subordination of the producing components within offices whose major interests lie elsewhere often tend to put those in OCI and ORR involved in dealing on military matters with external offices at a disadvantage. The Director of FMSAC, for example, is responsible solely for production in one sector of the military intelligence sphere and as an office head has direct access to the Deputy Director for Science and Technology; his substantive counterparts are an ORR Area chief and an OCI Division chief.

64. In the Intelligence Directorate, the substantive responsibilities of the two military intelligence offices overlap substantially

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despite the organizational division. A similar problem in the DDS&T was largely eliminated in 1965 when the [REDACTED]

[REDACTED] Division of OSI was transferred to FMSAC, with the result that the DDS&T view on a given substantive military question usually falls either to OSI or to FMSAC and can be formulated with less intra-Directorate negotiation than is true of the Intelligence Directorate.

65. A second area of problems affecting relations between the Intelligence and the Science and Technology Directorates is that of subject matter jurisdiction. As noted above, OCI considers it writ to run to wherever news is to be found. OSI and FMSAC have come to accept the role of the [REDACTED] Division and their coordination in the production of current military intelligence items (almost always prepared at OCI's initiative) is generally good. The same is not as true of MRA relations with OSI and, to a lesser degree, FMSAC. Differences arise in substantive evaluations or conclusions and they are not always easily resolved. One major reason for the differences is the degree of overlap in functional interests. It is difficult for OSI to prepare a study on an air defense system without getting into deployment, which is specifically an MRA responsibility. Similarly, it is difficult for MRA to publish on the production and

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deployment of a missile system without going back into the research and testing cycle, which is the responsibility of OSI and FMSAC. Coordination helps but does not solve these problems. There has been greater effort in ORR of late to undertake joint papers with OSI and FMSAC as a way around the overlap and coordination problems.

66. The so-called interface agreement of 30 October 1963, issued by the Deputy Director of Central Intelligence in the wake of OSI's transfer to DDS&T, is meant to govern relationships between the two Directorates, particularly as they affect intelligence production. The agreement allows the Directorates considerable latitude in interpreting its provisions. In general, however, the agreement calls for the Intelligence Directorate to exercise considerably more initiative and oversight with respect to DDS&T intelligence production than is actually the case. ("The DD/I carries the basic responsibility for the integration of scientific and technical intelligence produced by DDS&T with other types of intelligence in the development of finished intelligence. . . . Production of S&T intelligence reports, especially as they support National Intelligence Estimates and Current Intelligence or other CIA memoranda,

- 42 -

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will be scheduled so as to be responsive to DD/I needs.") Over the three and a half years since the agreement was issued, DDS&T has become increasingly independent in matters of intelligence production, although it has continued to coordinate its output with the Intelligence Directorate.

67. There are several reasons for the way in which DDI-DDS&T relations regarding the agreement and intelligence production have moved. One of the more important is the absence of a single point in the Intelligence Directorate to carry the day-to-day responsibilities for relations with DDS&T under the agreement. In general, however, relations between the two Directorates are as good as the structural differences and the substantive overlaps (which are probably beyond resolution given existing organizational relationships) will allow. Although parts of the agreement have been superseded by subsequent events, there does not now appear to be any strong argument for renegotiating the existing agreement solely to make it reflect current practice.

68. Problems with GMAIC are of a different order. In addition to providing substantive contributions on NIEs to ONE, MRA also is responsible for supporting GMAIC. In GMAIC itself, since the CIA member is from DDS&T, it is difficult to receive backing

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for MRA's views when they differ from those of FMSAC. In the [REDACTED] Group, where MRA provides the Chairman, the situation is easier. In the [REDACTED] Group, where MRA provides the CIA member, resolution of conflicting views depends somewhat on the DIA attitude. In any case the expenditure of man-hours in making contributions to ONE while supplying GMAIC with substantive support is extensive. For its part, OCI has little direct contact with GMAIC and must rely on its relations with MRA and FMSAC for knowledge of the issues within the committee and its deliberations.

69. As with DDS&T, so with DIA, NSA, State, and the other agencies with whom ORR and OCI do business in military intelligence production. The organizational division within the Intelligence Directorate causes a multiplicity of contacts, reduces the Directorate's ability to respond with a unity of action, and leaves the Directorate without a focal point to insure that incoming information is disseminated to all interested components in MRA and OCI. Working relations with other agencies are generally good, especially at the analyst level, but difficult problems do arise.

The Agency's position in the dispute with NSA over the inclusion of [REDACTED] a knotty technical military problem -- probably suffered from the organizational

- 44 -

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subordination of the responsible military analyst in an Office primarily concerned with political reporting. There is in our relations with DIA a residue of resentment on the part of many in that organization that CIA should presume to have opinions in the military field at all. I think this is inherent in the Director's position in the intelligence structure of the Government and in his relationship to the Secretary of Defense and the Director of DIA. It is not a major problem today and has been getting better over the last few years. The division of military intelligence production responsibility within the Intelligence Directorate does little to help the Agency cope with this problem, however.

The [REDACTED] Staff

70. OCI and ORR receive support from many directions in their production of military intelligence. IAS occupies a special position, however, because of the importance of photography as a source in military intelligence analysis. Information from

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[REDACTED] The nature of CIA's military intelligence analysis means that many of its requirements are handled by NPIC at the national level. However, being responsible for producing departmental imagery intelligence, IAS is important because the military intelligence producing offices can task it directly in the support exploitation phase of photo interpretation.

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72. Problems. From the standpoint of military intelligence production by OCI and ORR, the major problem with IAS is that of establishing and maintaining effective working level contacts with the photo-interpreters. Two obstacles are cited, one bureaucratic, the other physical. The bureaucratic problem cited by the analysts in OCI and ORR is what they regard as a trend toward greater formality in levying requirements for photo interpretation. It takes too long, they say, to frame a requirement, transmit it to IAS, and get the reply in writing from IAS. The more intractable problem affecting the analyst-PI relationship is the physical separation of the analysts at Headquarters and the PI's [REDACTED]

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try to work by means of the grey phone or through written requirement. Neither approach facilitates the accomplishment of the kind of effective, interdependent relationship that ought to exist between these two major groups of people concerned with the production of military intelligence.

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The shape of the future

73. Before going on to consider the alternatives open to the Directorate, it is necessary to take a brief look at some of the matters that will affect us in the future regardless of what organizational structure we adopt.

74. Communist China and non-Communist countries. The past concentration on the USSR, almost to the exclusion of all other countries, is changing. For one thing, we have created an extensive body of knowledge on the military capabilities of the Soviet Union and have moved into the exploitation phase. The intelligence problem posed by the Soviet military forces is no longer so predominantly quantitative in character, but has become increasingly qualitative. At the same time, the spread of advanced weapons technology has begun to be reflected in the military plans and accomplishments of other countries. Foremost among these in terms of US defense planning is Communist China and this country must receive increasing attention from all phases of the intelligence process -- collection, analysis, publication -- for years to come. But this is going to be true of other countries as well. Japan, France, Israel, India, to name but a few, are moving in directions that will require the kinds of military intelligence

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analysis that the Intelligence Directorate has given to the Communist countries in the past.

75. Technical collection. The amount of information coming [REDACTED] is increasing.

Military intelligence analysis is the direct user of the bulk of the information from these sources. The JIIRG report underscored the need of the processing and exploiting organizations to anticipate the problems growing out of more [REDACTED]

[REDACTED] These problems impact equally on the intelligence producing offices. They not only have to be able to handle a greater volume of incoming material, but increasingly they must find effective ways of bringing all the input from all the sources together to produce finished intelligence worthy of the term.

76. Disarmament and arms control. The traditional military intelligence concerns are to disarmament intelligence needs as matter is to anti-matter. Work by the US Government in the arms control and disarmament field is only just beginning and, over time, will almost certainly increase. The requirement for effective intelligence support in this area already exists and will probably become more demanding in the future. Difficult problems of

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comparability, verification, and levels of assurance require the same expertise and knowledge regarding weapon systems and military forces as military capability and vulnerability studies.

77. US defense planning. The last force shaping the future of military intelligence production in the Directorate that should be mentioned is the need that US defense planners have for sound, disinterested intelligence judgment.

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reflects, among other things, the intelligence community's estimate of the status of the Soviet ABM program and the expectation that the community will be able to give timely warning of future developments in that program.

78. There are two facets to the planning-intelligence relationship so far as implications for the future are concerned. One

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relates to the informational demands of the planning process, the other to CIA's role.

79. Planning in the Pentagon has been revolutionized over the past five years. The process has forced the community to spell out its judgments and quantify its views in detail. The development of the NIPP as the necessary planning adjunct to the estimate is one evidence of this. This thirst for detail will grow as the choice between options facing the military planner increasingly turns on calculations regarding marginal benefit. It will be up to us to furnish the kind of detail required.

80. If past experience is any guide, one thing is sure: The planning elements in the Office of the Secretary of Defense and elsewhere in the defense establishment will continue to call on the Directorate for its analysis of the direction of developments in foreign weapons and forces, the doctrine and tactics of their employment, and the relationship of military, economic, and political goals. CIA has played a key role in this work over the past twenty years and can expect to be involved even more in the future as the problems multiply with increasing costs, new technologies, and more varied and intricate military applications ranging from the foot soldier to outer space.

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III. Alternative Courses of Action

81. The responsibilities affecting decision. As a general proposition, the assets of the Intelligence Directorate should be applied against its responsibilities in such a way that the responsiveness, productivity, and flexibility possible with a given level of resources are optimized. The question, of course, is how to do it. The responsibilities of the DDI pertinent to his decisions on organizational arrangements can be summarized as follows:

a. The Intelligence Directorate is responsible for intelligence production on all factors that affect the US estimate of the strategic power or weakness of foreign states: military, as well as economic, political, and geographic.

b. The Intelligence Directorate is responsible for the production of intelligence on military and military-related subjects, particularly with respect to the production, deployment, employment, operation, doctrine, and economic implications of weapon systems and military forces.

c. Within the field of military intelligence, the Intelligence Directorate is responsible both for highly current, highly policy-oriented intelligence production and for analysis in depth and in detail.

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d. The Intelligence Directorate is responsible for intelligence production on military subjects on the USSR, Communist China, and other Communist states in particular, but on other countries and regions of the world as developments or policy interests demand.

e. Within the field of military intelligence, the Directorate is responsible for analysis in terms both of the military capabilities within a given country or region and of the developments within a given space or weapon system or military force.

f. The Intelligence Directorate is responsible for cooperating with other Agency components and other USIB and non-USIB agencies to produce military intelligence of the kind and quality required by the national security interests of the US Government.

82. There are basically three courses of action open to the Deputy Director for Intelligence in applying his resources for military intelligence production to his responsibilities as summarized above. Briefly stated, he can leave the present organizational arrangements essentially unchanged, he can transfer functions between existing Offices, or he can create a new Office. Each course of action provides benefits, but with attendant costs which must be balanced against them. Briefly, to leave the situation as

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it is, while not disturbing existing relationships and efforts, would prevent the solution of the major problems. A transfer of functions within the existing structure would solve some problems, but not the most important ones. The creation of a new Office would provide the greatest potential for dealing effectively with existing problems, but would create some new problems in turn. This Section of the report examines each alternative and its attendant favorable and unfavorable factors. In connection with the third alternative, it discusses the concept of a new Office--its plan and feasibility--in detail.

Alternative A: No Change

83. The first alternative is to make no essential changes in existing organizational arrangements, keeping the production responsibilities for both first and second category military intelligence allocated as they are now to OCI and ORR.

84. Reasons for adopting this Alternative would include:

--The ability of existing arrangements to produce military intelligence is known and, although imperfect, the present arrangement does a creditable job with available resources.

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--The existing relationships within the Intelligence Directorate and with other Agency and external components would not be disrupted.

--Granted there is some duplication between MRA and [REDACTED] Division, nevertheless duplication has some utility in providing competition in the field of ideas and analysis, and in assuring coverage.

--Military intelligence would continue to be influenced directly by political factors (in OCI) and by economic factors (in ORR).

--Both the current and research functions in military intelligence production would continue to be performed by Offices with that primary production orientation.

85. There is fundamentally one reason for not adopting this Alternative: It would do nothing to solve the major problems, and only little to solve the minor problems, affecting production of military intelligence, particularly of the first category, in the Directorate. The problem of diffusion of responsibility and resources, the problem of evolving a Directorate view in this subject area, the problem of representing the Directorate's views and needs in intra- and interagency forums, all would continue to exist in much the way they do now. These are not problems that can be solved by exhorting OCI and ORR to work together better than they do now. There is a

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gap between the responsibilities of the DDI outlined above and the effectiveness of the Directorate in meeting these with existing resources. With no change, the gap will probably widen; it almost certainly will not close over time. Some changes will be necessary.

86. In sum, the costs of inaction appear to be greater than the costs involved in taking steps to meet the problems.

Alternative B: Transfer Functions between Offices

87. The second alternative is to concentrate the military intelligence functions of the Directorate in one of the existing Offices by transferring existing components, personnel, and functions between offices.

88. The changes of function and personnel contemplated in this Alternative, and in Alternative C below, exclude those units whose involvement in the production of military or military-related intelligence grows exclusively or chiefly out of the present demands of the Vietnamese war. Thus, the individual analysts working on military matters in the [REDACTED] branches of [REDACTED] Division are excluded, as are the individuals in such ERA units as [REDACTED] Branch and [REDACTED] Branch. On the other hand, the [REDACTED] Division in OCI is included because

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of its basic concern for the long-term military capabilities of Communist China. There are two principal reasons for leaving category two undisturbed. First, the Vietnam situation should not in my view be an organizational determinant, at least so far as the basic structure of the Intelligence Directorate is concerned; the situation is essentially transient whereas the military considerations (defined earlier as "first category") that occupy MRA and [REDACTED] Division are essentially long-term. Second, the reporting on the Vietnamese situation is highly specialized and is too important a current matter to be disturbed at this time, or in the near future, by major organizational rearrangements.

89. Alternative B would almost certainly mean transferring functions, and people, from OCI to ORR. The relative size of the components involved [REDACTED] [REDACTED] the precedent of CSS serving essentially as the "current" voice of the [REDACTED] Area would argue for giving MRA a "current" staff made up of OCI elements, rather than giving OCI a "research" staff made up of ORR elements. In addition, Alternative B probably should include the transfer to MRA of some of the ERA branches that are heavily engaged in supporting MRA. The [REDACTED] Branch in the [REDACTED]

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[REDACTED] Division and the [REDACTED] Branch in the [REDACTED]

[REDACTED] Division are two units whose contribution to the work

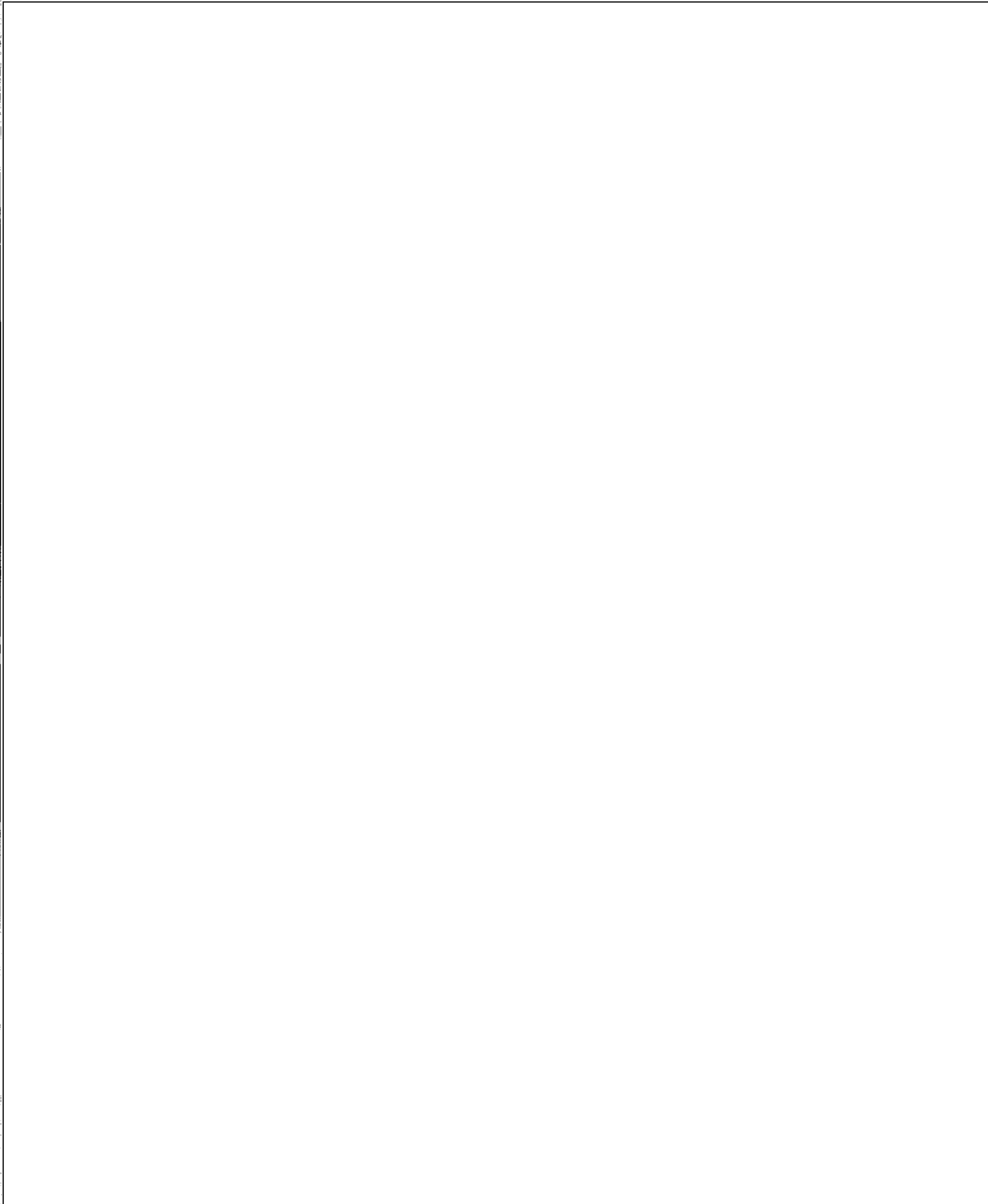
of the Directorate as a whole probably would be greater if undertaken in MRA--while rendering such support as ERA required--rather than the other way around.

90. Under Alternative B, [REDACTED] Division would be incorporated in the [REDACTED] Division, and the resulting component added to the present MRA structure, functioning as MRA's current support staff. Although no immediate changes are contemplated in the number of branches or divisions, some personnel could probably be shifted from the current intelligence components to research because of the closer ties and greater mutual support which would result from the single management by MRA of all the resources. The ERA branches probably would be added to [REDACTED] Division. (See Figure 4, Table 1)

91. Reasons for electing Alternative B would include:

--It would resolve some of the duplication and coordination problems of the Intelligence Directorate without disturbing the existing Directorate structure. Specifically, the overlap between OCI and ORR could be reduced and some professional positions saved.

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- 59 -

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--It would centralize under one Office management all Directorate production responsibility for military intelligence, and would give the Directorate a single point for external contacts and support.

--It would not require new administrative superstructure as the creation of a new Office would.

--It would accomplish the consolidation of the Directorate's military intelligence resources without making this act highly visible to DIA and other agencies who might be inclined to question the extent of the Agency's involvement in military intelligence production.

92. Reasons for not electing this Alternative would include:

--It would do little to advance the ability of the Directorate to deal effectively with DDS&T, the Pentagon, and other external agencies on matters in the military intelligence field. The head of the consolidated group would still be in a sub-Office position.

--Military intelligence production would continue to be directed by a management primarily interested in and concerned for non-military matters. The fields of economics and military matters are too broad for effective management at the Office level and below by one person. The knowledge and continuity required

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to operate effectively in both of these fields at the level required by the Agency's responsibilities inevitably mean that a person must concentrate on one or the other.

--It would place current reporting under research-oriented management with possible detriment to both.

--It would offer no ready option with respect to possible future integration of components such as the [REDACTED] Staff with the military intelligence producers. The organizational and management problems inherent in adding IAS and its large increment of specialized personnel at the sub-Office level would be difficult to surmount.

93. In sum, Alternative B would permit some consolidation to be achieved and some personnel savings to be made from elimination of overlap with only a slight disturbance to existing organizational relationships. It would enable the Directorate to deal with some of the problem areas discussed earlier (competition between components and duplication of effort). Important problem areas, however, would be dealt with only in part: existing resources for military intelligence production cannot be most effectively employed when they are a subordinate part of an office basically oriented to other interests, and external relations cannot be fully effective

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when conducted from a level substantially below that of components of DDS&T and of non-Agency organizations such as DoD and State. Moreover, the effect of Alternative B would be to engender increasing independence of action between the two Areas of ORR, thus giving some of the disadvantages of separating the Areas organizationally with none of the advantages of a new Office.

Alternative C: Create a New Office

94. Under this Alternative, the following components of OCI and ORR would be fused into a single Office responsible for the production of military and military-related intelligence: from ORR-- the [] Area, the [] and [] branches of ERA, and [] Staff; from OCI--the [] Division, the [] Division, the National Indications Center Staff, and INDICO; the appropriate shares of the administrative components of OCI and ORR. The details concerning this Office and how it would work are set forth below. As noted in the discussion of Alternative B, this Alternative is directed primarily at meeting the Directorate's responsibilities for first category military intelligence. The new Office would inevitably have some association with the Vietnam

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problem but it probably would not be great, at least initially.

95. There are many similarities between Alternative C and Alternative B in the advantages and disadvantages to the Directorate. In sum, however, Alternative C has the potential for a more complete solution to those problems which B also meets, and in addition permits a fundamental attack on the major problems that B can at best only touch.

96. Advantages of selecting this Alternative would include:

--It provides the Deputy Director for Intelligence with a single manager, responsive directly to him, for the military intelligence production resources of the Directorate. Implicit in single management is the greater ability to adjust priorities and reallocate assets as problems change or new demands are received.

--It provides the Directorate with a single voice on military matters in its multiple external contacts. This is particularly important with respect to the Directorate's relations with the Department of Defense in responding to its needs for intelligence support.

--It gives the DDI an effective mechanism for calling on the special expertise of military intelligence components in other Directorates for support in fulfilling his responsibility for Agency-wide finished intelligence as reaffirmed in the interface agreement

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of October 1963, and for providing DDI support to other Directorates.

--It consolidates the military intelligence producers in the Directorate at the level necessary for consideration of future options such as the integration of the [REDACTED] Staff.

--It makes possible faster, more effective policy support and response to current and ad hoc requirements by eliminating unnecessary coordination within the Intelligence Directorate.

97. Disadvantages of selecting this Alternative would include:

--It would affect the ties that now exist between ERA and MRA on the interrelationship of military and economic matters, and within OCI between military and political matters, and in time probably cause them to become less close.

--It would cause some division in the organizational machinery that now exists for the production of current intelligence.

--It would bring into view at the Office level the extent of the Agency's commitment to the production of military intelligence.

--Of the three Alternatives, it would involve the greatest change in and disturbance to the existing Directorate structure.

98. In summary, Alternative C represents a qualitative change in the way the Intelligence Directorate approaches the business of military intelligence production. Although B and C are similar in

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some regards, by choosing Alternative C the Directorate elevates to the Office level the responsibility for management and production in a field that up to now has been treated only as a subsidiary part of other subjects. The costs of achieving this include the added complexity of another Office within the Directorate structure, the additional administrative superstructure that an Office requires (although this would be substantially offset by corresponding decreases in the administrative apparatus of ORR and OCI), and the increased separation of military intelligence from its coordinate fields of concentration, politics and economics.

Plan and Feasibility of Alternative C

99. This section discusses the implementation of Alternative C-- the missions and functions of an Office for the production of military and military-related intelligence, its personnel and organization, and its operations, insofar as these aspects can be described in advance-- and the feasibility of this Alternative.

100. Mission and Functions. The mission of the new Office would be to produce and publish substantive intelligence on military and military-related subjects as required by the Deputy Director for Intelligence. Geographically, the responsibility of the Office would

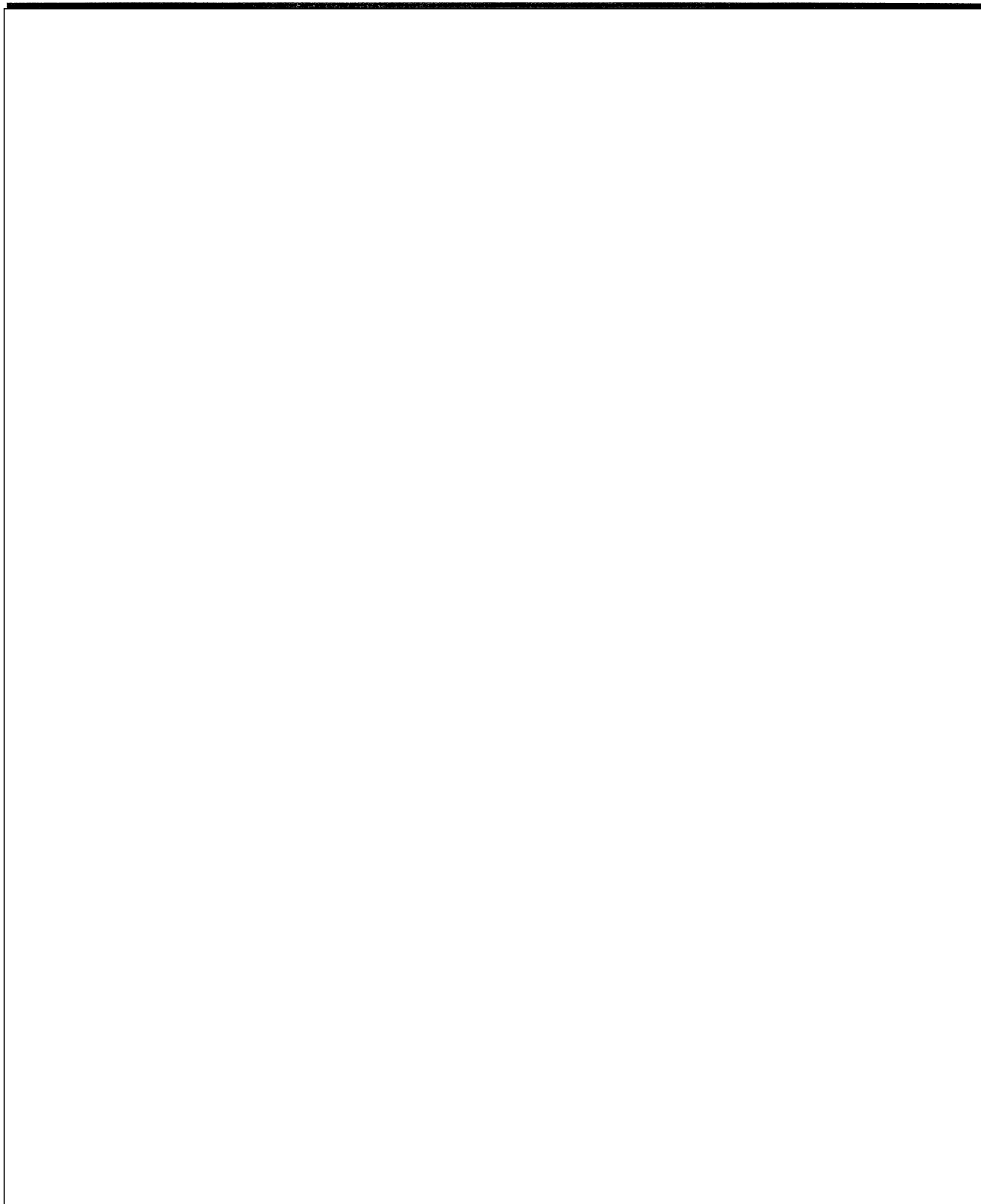
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be worldwide, with a concentration on the Soviet Union, Communist China, and the other Communist states; functionally, the responsibilities would span the subject field of military programs and space activities, with particular emphasis on military expenditures, production, deployment, employment, doctrine, strategy, military policy, force structure, and programming. Within these subject areas, the Office would be responsible for providing intelligence support to the Director of Central Intelligence and to the CIA Member of the US Intelligence Board. The Office would be responsible for supporting the preparation of National Intelligence Estimates on military subjects or requiring military inputs. The Office would also be responsible for providing support in the areas of its competence to the other Offices of the Intelligence Directorate, and to other offices and agencies as required. As a part of its responsibilities, the Office would provide CIA support to the USIB Watch Committee and to the National Indications Center. (See Figure 5)

101. OCI and ORR would lose these responsibilities which transferred to the new Office. As a result, OCI would become more exclusively a political intelligence office than it now is, although the irreducible residue of politico-military concern that each OCI country analyst has would and should remain. ORR would

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become almost exclusively an economic intelligence office, although its involvement in things military, exemplified at present chiefly by Vietnam, would continue. The management of each Office would lose certain responsibilities and certain manpower, but would gain the freedom to concentrate on those matters of primary interest to the Office.

[REDACTED]

102. Personnel and Funds. The following units and personnel would be transferred from OCI to the new Office:

[REDACTED]

103. An important objective in establishing the new Office is to improve the Directorate's ability to respond quickly and accurately to the needs of senior Agency and Government officials for intelligence on military developments. The [REDACTED] and the [REDACTED] are vital to achieving this capability in the new Office. Both are now engaged in the production of first category military intelligence on the USSR, Communist China, and the other

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Communist countries. In addition, [REDACTED] Division has a world-wide responsibility in the production of current intelligence on scientific and technical matters. This latter activity is the basic interface between the Intelligence and Science and Technology Directorates for current intelligence production. It is an important part of the responsibilities of [REDACTED] Division and one which would transfer to the new Office under this plan.

104. INDICO and the Staff at NIC are not producers of military intelligence in the strict sense of the word, but they are largely military-intelligence oriented as their alerting and warning responsibilities require them to be. It is estimated that about [REDACTED] their effort is devoted to military indications intelligence. Because of this, and because of the mission and responsibilities outlined for the new Office, I believe that these functions should be located in the new Office.

105. The following units and personnel would be transferred from ORR to the new Office:

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106. Just as [REDACTED] Division would constitute the "current" core of the new Office, MRA would make up the major part of the Office's "research" capability. MRA, in size and in scope and weight of production responsibilities, is the major military component in the Intelligence Directorate. Much of the rationale for establishing a new Office is linked to the work that MRA now does and the work that it--and the Directorate--will have to do in the future.

107. The need to associate the [REDACTED] [REDACTED] branches with the new Office is less immediately apparent. Each of these branches is now in the [REDACTED] Area and is regularly involved in substantial support across Area lines to MRA. Each also undertakes self-initiated activities and provides support to other ERA components. Unless we were willing to divide each branch into its "economic" and "military" parts and allocate them accordingly, which does not seem desirable, these branches are going to have to perform external support roles no matter where located. Two facts are relevant: 80 percent of electronic component production in the USSR is military; 60-70 percent of the cost of deploying the US NIKE ABM system lies in its electronic sector. The great importance of electronics and

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communications in the effective analysis of present and future weapon systems as systems, particularly in the offensive missile and ABM fields, argues strongly for placing these branches under the substantive management of the new Office. The obligation for external support would then run out of the new Office to ORR, rather than the reverse.

108. [REDACTED]

responsibilities of the new Office that it should be located therein.

109. [REDACTED]

percent--are identified as administrative. These represent a rough approximation of the share of office administration now provided in OCI and ORR for the units that would be transferred to the new Office. These persons would be needed to accomplish the various administrative duties of any Office, such as publication preparation, personnel, budget, travel, training, space allocation, registry, and mail receipt and distribution. In addition to a transfer of personnel and directly connected funds, establishment

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of a new Office would require a transfer of funds from OCI and ORR for those travel, training, and other costs associated with the personnel of the units involved in the transfer.

110. The plan of Alternative C is based on existing personnel ceilings. No increases are required to implement the organizational arrangements discussed below. It is anticipated that any increase in supervisory positions will be offset by the savings possible through reorganization and elimination of overlap. (See Table 2)

111. Organization. In considering the organization of the new Office, it is well to recall its responsibilities and functions. It is an Office with both current and research responsibilities, with worldwide interests but particular concern for certain states, with an obligation to perform independent, self-initiated analysis and to support the estimative process and others, with a need to analyze and understand military developments both from a functional, systems viewpoint and from an overall regional or country viewpoint, and, finally, with a requirement to cooperate effectively in the work of the community on military intelligence matters.

112. To meet its regional-functional responsibilities, the organization of the new Office needs to reflect these major

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- 72 -

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orientations in a way that enables each to work effectively, reinforced--and not hindered--by the other. I believe that it is not practicable to organize the projected Office on a purely regional or a purely functional basis. A purely regional approach would result in dividing the functional specialists--the aircraft systems people, the defensive missile people, for example--into several different groups at the cost of technical professionalism. A purely functional approach, on the other hand, would make it organizationally difficult to formulate substantive judgments of the capabilities, vulnerabilities, et cetera, of a country as a whole. In addition, concentration on one or the other organizational approach would ignore the fact that the military questions asked of the Deputy Director for Intelligence come to him both ways. Some are basically regional or country oriented, while others are concerned essentially with a system or a force as such.

113. There is a further consideration. The new Office must effectively meet both current intelligence needs and research needs, and it must do both with the minimum practical disruption or hindrance to either. An organization that was purely regional or purely functional would mean that each sub-component would be equally responsible for both current reporting and research. Where

- 73 -

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this happens, both suffer, but usually research more than current reporting because of the higher priority that current reporting by its nature tends to claim on the time and expertise available. As noted above, an advantage in the existing division of military intelligence production between ORR and OCI is that it tends to concentrate most--not all, but most--current reporting in OCI, leaving MRA relatively free from these distractions.

114. I believe that the new Office can successfully confront these problems by a composite organization that is both regional and functional at the major sub-component level. The functional component would be responsible primarily for the in-depth research and analysis which require specialization, training, and experience that is essentially technical in character. The regional component would be responsible primarily for the current and ad hoc reporting which requires more general experience and knowledge and less technical immersion. Analysts in each component would have some responsibility--and some opportunity--to participate in the process, whether current reporting or research, that was the primary concern of the other component.

115. The important thing is that the organization described below will, I believe, make the new Office responsive to the DDI's, and the

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Director's, needs for current information and evaluations on military and military-related matters, at the same time protecting the on-going research program from unnecessary disruption. (Another benefit will be the ability, in a new Office so organized, to exchange military intelligence specialists between the two types of activity--current and research--for the stimulus and change of pace that will afford to the people concerned.)

116. The new Office would have three or four line divisions, one regional in structure, the others functional.

117. The [REDACTED] Division would have the following responsibilities: support OCI in the production of current intelligence on military and military-related subjects; provide the DDI interface with DDS&T for the production of current intelligence on scientific subjects within the purview of OSI and FMSAC; produce intelligence studies on military programs, including major weapon systems programs, force structures, military policies, doctrines, and strategies, and overall country assessments; and provide continuous support to the USIB Watch Committee and the National Indications Center. The [REDACTED] Division would be made up primarily from [REDACTED]
[REDACTED]

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[redacted]

118. The major responsibility of the [redacted] Division would be the effective discharge of the current reporting and ad hoc response function. To do this, the Division would be tied directly into the OCI production machinery. The division chief or his representative would take part in the OCI meetings relating to daily and weekly publication production. In addition, I would propose that

[redacted]

[redacted] The PA's would function in the same way and for the same purposes as they do now in the Area offices of OCI.

119. The functional divisions would come essentially from the components that now compose the [redacted] Area. The main responsibilities of the functional divisions would be to produce all-source intelligence studies on the military programs and space activities of the USSR, Communist China, and the other Communist states in particular and of other countries as warranted by technological achievement or policy interest; to assume primary responsibility within the Office for supporting the preparation of

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NIEs, NIPPs, and similar intra- and interagency assessments; and to participate with other producing components in the preparation of joint assessments on military and military-related subjects. The particular emphasis in the work of the functional divisions would be on all significant aspects of military expenditures, production, deployment, employment, and future programming of major space and weapon systems and military forces.

120. The exact organization of the functional divisions is a matter for more extensive investigation once a decision in principle has been made to create a new Office. The following discussion is meant to outline some of the problems and to suggest some possibilities. (It is worth noting that the [REDACTED]

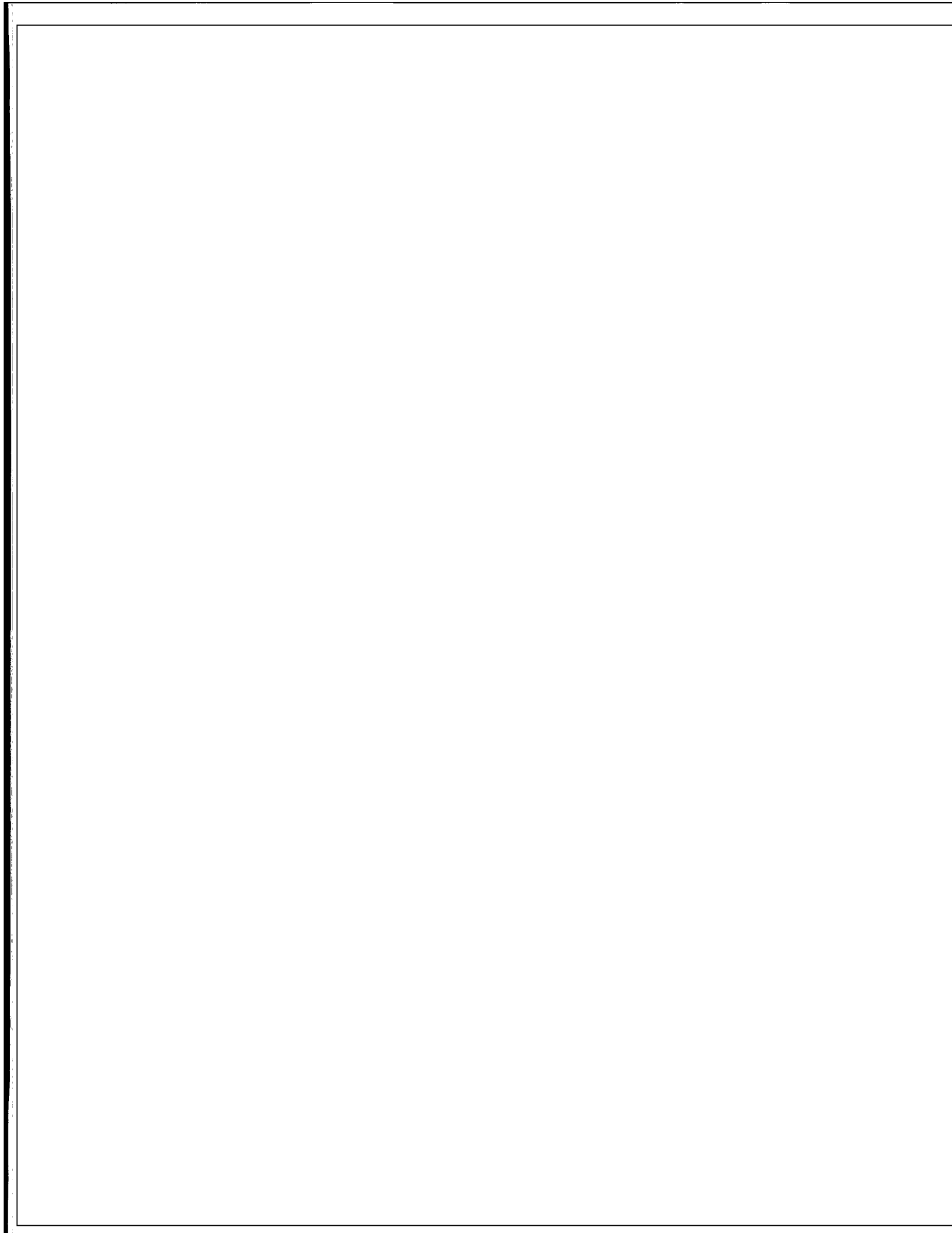
[REDACTED] Area probably will have to undergo some reorganization whether it becomes part of a new Office or not.)

121. One approach to the organization of the functional divisions would be to incorporate the two MRA divisions as they are now with only minor changes. This is the approach illustrated in Figure 6.

Under it, [REDACTED] Division remains the same except that the [REDACTED] Branch is disestablished and its personnel returned to their respective functional branches. The [REDACTED] Branch is added to [REDACTED] Division as the more appropriate location for a

- 77 -

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[redacted]
systems-oriented component. The [redacted] Division loses the
[redacted] but gains the
[redacted] branches from ERA.

This would consolidate in the [redacted] Division the various
support and aggregative activities that would also include the
[redacted]

122. This approach would in effect incorporate the MRA structure essentially unchanged into the new Office. This might ease the initial strains of getting the Office in operation. However, MRA is already aware of difficulties with its present organization. These stem chiefly from the heavy burden of publication review and estimate support that now falls on the chief of the Forces Division. The size of that Division and the depth of its involvement in the estimative (including the NIPP) process cause unwieldy management problems. The unrelenting pace of estimate support and the inevitable overlap in estimate activity (as 11-3 begins before 11-8 ends, for example) make it almost impossible for one division chief to perform the necessary review at that level, attend all the meetings he should attend, monitor his division's needs for collection by technical and other sources, and

- 78 -

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do the other supervisory work for which he alone is responsible. For these reasons, it probably would be desirable to change the MRA structure at the time of establishing the new Office, or shortly thereafter.

123. A second approach to the organization of the functional divisions would be to make some coherent partition in the duties now undertaken by the [REDACTED] Division. Figure 7 shows this approach. Given the [REDACTED] Division's heavy commitment to NIE support, one way that suggests itself is to let the subject relationships imposed by the demands of the military estimates influence the organizational pattern. On this basis, the six branches in [REDACTED] Division could be organized into two divisions of about equal size. One primarily for long-range attack and space systems (i. e., the 11-8 kind of problems) could be called the [REDACTED] Division and include the present [REDACTED] branches.

The other would take care of the air defense and general purpose forces (i. e., the 11-3 and 11-14 kinds of problems) and could be called the [REDACTED] Division. It would include the [REDACTED] [REDACTED] branches.

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124. Under this arrangement, the Division chiefs would each be responsible for a narrower and more directly manageable share of the Office's substantive support to ONE. Each could pay greater attention to the preparation of the DDI contribution to the individual estimates, to representing the Intelligence Directorate at the various meetings, and to accomplishing needed publication by his Division outside the estimative process.

125. Chiefly because of the way air and naval forces have come to be involved in both strategic and general purpose roles in modern military organization, this arrangement means that analysts in one Division would have to support work in the other Division. For example, [REDACTED]
[REDACTED]

forces estimate. The same would be true of the aircraft systems analyst but in the opposite direction. However, the only alternative is to divide these air and naval specialists between the two Divisions in terms of force concepts, and this seems neither desirable nor necessary, at least at this stage of organizational development.

126. Under either of these two arrangements, [REDACTED]

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Division would continue to be a fairly large unit as numbers of persons go. Because of the nature of its work, however, the pressures that make it desirable to divide the [REDACTED] Division are not present and in my judgment it is not necessary at this stage to plan any such move for the [REDACTED] Division.

127. To summarize, the composite regional-functional organization described would, I believe, be able to respond effectively to the full range of requirements that would be laid on it for current reporting, preparation of briefings, support of estimates and NIPPs, and original research in the general military and space field. The research components would be buffered from the untimely intrusions of current and ad hoc needs by a component geared to those demands. That component in turn would draw upon the integral relationship with the functional research components in meeting its assignments. All the components would benefit from a single management directly responsible to the Deputy Director for Intelligence for producing the military intelligence that, along with political, economic, and geographic intelligence, makes up such a large and important part of the Directorate's production responsibilities.

128. In addition to the line components, the new Office will

- 81 -

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require certain staff elements. Without attempting too precise a blueprint at this time, I believe we should plan in terms of four staffs: administrative, publication, plans and support, and

[REDACTED]
direct organizational transfer with no change in present mission, functions, and method of operation.

129. The administrative staff would be charged with the normal duties of such a unit. Perhaps only one special note is needed here. US intelligence organizations primarily centered on foreign military and military-related developments have always had a difficult time finding enough of the right kind of training for their analysts. [REDACTED] a long time ago said that "the trouble with most US military analysts is they don't know a damn thing about what the US is doing in the military field." The situation is better now but it must be worked at constantly. A major responsibility of the administrative staff would be actively to develop training opportunities for the personnel of the Office.

130. It is important that the new Office have an effective review and publishing mechanism. A major objective in creating the Office is to enable the Directorate to speak more vigorously and forthrightly its views in the military field and to lessen

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the submergence of its product in the estimative stream. The analysts in the functional research components must have the opportunity for publication no less prompt than that of the regional analysts working primarily on current intelligence. This means that the new Office requires a small publication production staff attuned to the Office's needs.

131. The plans and support staff would have several responsibilities, but foremost among them would be the job of coping with the demand for guidance of technical collection systems, particularly in the reconnaissance satellite field. These systems are so costly, and their take so critical to military analysis, that an extremely close relationship between the collection planning mechanism and the substantive analyst is unavoidable. The production offices pay a considerable price in the process, however, in terms of time spent on collection support, particularly at the branch and division chief level (which is also the important review level for publication). MRA estimates, for example, that its branch chiefs spend as much time on collection support as on administration, supervision, and review put together. There is no easy answer to the problem, but an active plans and support staff to work for the Office in this area is an essential element.

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132. As requested, the question of making the Imagery Analysis Staff an organizational part of the new Office has been considered. Figure 8 shows what the Office would look like under the arrangement that divided the [REDACTED] Division in two and with IAS as an [REDACTED] Division on a level with the other divisions. This step would increase the size of the Office [REDACTED] from about [REDACTED]. It might be desirable under this arrangement to consider going to an Office-Area-Division structure.

133. The advantage in joining IAS to the Office would lie in the potential such an arrangement had for a closer PI-analyst relationship in all aspects of military intelligence production, from collection guidance to finished intelligence publication. In light of the importance photography has for the production of military intelligence and the importance of guiding and exploiting such a costly collection system wisely, a strong case can be made for integrating IAS with the military production components.

134. There are, however, some practical disadvantages to such a plan. The physical separation of the two bodies of people militates against their organizational integration within one Office. Moreover, IAS is responsible to DDS&T and DDP for servicing their needs. This [REDACTED] of the productive capacity

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of IAS and raises the question whether it should not continue to exist as a separate component within the Intelligence Directorate to respond to requirements from all directorates.

135. I believe that the most important consideration, however, is timing. All the practical objections cited could, with work, be overcome. However, the problems of establishing a new Office for military intelligence production, if that course is decided on, are sufficiently formidable without simultaneously adding the complications of integrating the IAS activity, attractive though that is. Once the Office was well established, if circumstances warranted, the question of making IAS a part of the Office could be re-examined. In the meantime, consolidation of the Directorate's resources for military intelligence production would improve the effectiveness of the PI-analyst relationship in this major area of the [REDACTED] [REDACTED] Staff's work.

Timing

136. If Alternative C was selected, the following schedule could be followed:

by 30 April 1967--Obtain DCI approval to establish
Office; name Director-- designate

1 July 1967--New Office established effective this date

- 85 -

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As soon as the necessary approvals are received, it would be desirable to name the Director-designate for the new Office, so that he can begin detailed planning on organizational, procedural, and personnel matters. OCI and ORR will also need time to plan for the adjustments that the changes will require. Establishing the Office at the start of the fiscal year would simplify problems of record keeping, budget submissions, and the like for the Directorate and the Offices concerned.

137. Some period of detailed preparation, such as the two months suggested above, would be highly desirable: Personnel assignments should be decided, jobs defined, intra-office relationships worked out, et cetera, before the components begin operating as an Office.. However, all the components that are involved now exist and could, if necessary, be reassembled in Office terms with little prior preparation and on short notice. In that case, the planning of which I speak would follow, rather than go before, establishment as an Office.

138. It should be said that no amount of prior preparation is going to anticipate all the changes that will be necessary in such an Office in the first several years of its existence. Not only will the operation of the individuals and components as an Office give

- 86 -

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rise to new ideas for more effective production and new patterns of organization, but the subject field itself is a dynamic one that will require organizational adaptation and adjustment over time.

Feasibility

139. Setting aside the question whether Alternative C is a desirable course of action, is it feasible? Can it be made to work in the manner described? Or will the problems raised by the changes in OCI and ORR and the creation of a new Office outweigh the possible benefits?

140. What is proposed is not an unprecedented step in the history of ORR. That fecund organization spawned OBI in 1955, NPIC some years later, and a new geographic intelligence-oriented OBI most recently. Implementation of Alternative C would be in line with other Directorate (and Agency) actions in giving Office status to major substantive responsibilities. In the field of military intelligence production, the creation of the Office described above is the logical next step in the sequence of events that includes the development, first, of a military-economic division in ORR and then a military-economic area.

141. Even that part of the proposal that would remove the

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[REDACTED]

[REDACTED] from
OCI has its precedent in the reallocation of the [REDACTED] Division
of OCI to ORR in 1954. This functional unit with a current reporting
responsibility in the field of economics is the direct counterpart of
the [REDACTED] As the [REDACTED]
Staff under the Chief, [REDACTED] Area and now under the
Director, ORR it has effectively enabled ORR to publish in the
current intelligence media of OCI.

142. These precedents are cited to suggest that there is nothing
inherently infeasible in Alternative C's proposal to create a new
Office, one that would have both research and current reporting
responsibilities in the field of military intelligence. Similar under-
takings have been tried before, and worked. Moreover, I believe
that the organization plan discussed above represents a practical
way to utilize the resources that would be available to the Office.
Continuity is respected, to minimize organizational turbulence and
its adverse effect on productivity. At the same time, adjustments
are planned to take advantage of the changes that flow out of operating
these elements together under one Office.

143. I am sure problems will arise between the new Office and
ORR and OCI. The creation of an Office to concentrate on military

- 88 -

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intelligence will not end the legitimate interest of OCI and ORR analysts in things military. And the OCI and ORR military analysts, once located in the new Office, will continue to be responsible for giving consideration to the political and economic aspects of their subject. These overlaps are not only inevitable, but they are desirable even though differences will emerge because of them. I think the significant forward step that Alternative C promises within the Directorate is that coordination will be less of a wheel-spinning operation (between the military analysts in OCI and the military analysts in ORR) and can become a more useful exchange between specialists of different substantive concentrations.

144. There may be some disadvantages in Alternative C in the Directorate's relations with DDS&T, the Pentagon, and other outside offices. They seem small indeed, however, compared to the potential advantages that can result from a single Intelligence Directorate focus for military intelligence production managed and directed at the Office level.

145. Alternative C is, I believe, a feasible course of action.

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IV. Recommendations

146. It is recommended that the Deputy Director for Intelligence adopt and take all steps necessary to implement Alternative C, to create from existing components in OCI and ORR a new Office to produce and publish substantive intelligence on military and military-related subjects with particular emphasis on military expenditures, production, deployment, employment, doctrine, strategy, military policy, force structure, and programming, on a world-wide basis but with a concentration on the USSR, Communist China, and other Communist countries.

147. It is further recommended that the target date for establishment of this Office be 1 July 1967.

- 90 -

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